

Message Text

LIMITED OFFICIAL USE

PAGE 01 ZAGREB 00726 140844Z

15

ACTION EUR-25

INFO OCT-01 NEA-14 ISO-00 CIAE-00 INR-11 NSAE-00 RSC-01

EB-11 FTC-01 CIEP-03 OPIC-12 FEA-02 DRC-01 PA-04

PRS-01 USIA-15 TRSE-00 OMB-01 /103 W

----- 063038

R 140803Z AUG 74

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 2625

USDOC WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY KUWAIT

AMEMBASSY TRIPOLI

AMEMBASSY ROME

LIMITED OFFICIAL USE ZAGREB 0726

COMMERCE FOR MEPD

E.O. 11652: N/A

TAGS: BEXP, BFOL, YO

SUBJECT: MAJOR PROJECTS: KOPER REFINERY

REF: A. STATE 168906; B. ZAGREB 0423 C. TRIPOLI 0875

SUMMARY: LATEST INFORMATION INDICATES KOPER NOW DEFINITELY HOPES BUILD 8-MILLION-TON REFINERY IN COOPERATION WITH LIBYANS AND POSSIBLY OTHER OIL PRODUCERS WITH LONG-TERM PRODUCTION SALE AGREEMENT WITH WEST GERMANS. LIBYAN FINANCIAL COMMITMENT, HOWEVER, NOT EXPECTED BECOME FIRM BEFORE SEPTEMBER. END SUMMARY

1. RECENT YUGOSLAV PRESS ARTICLES HAVE CLAIMED SERIOUSNESS LIBYAN OFFICIAL INTEREST IN KOPER PROJECT AND EXPRESSED BELIEF THAT FORMAL AGREEMENT FOR JOINT VENTURE TO BUILD 8-MILLION-TON REFINERY AT COST CIRCA \$300 MILLION IMMINENT. POSSIBILITY SUPPLEMENTARY FINANCING FROM ALGERIA, KUWAIT, IRAQ AND IRAN WAS ALSO MENTIONED. PRESS ALSO STATES WEST GERMANS HAVE MADE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ZAGREB 00726 140844Z

LONG-TERM (20-YEAR) OFFER BUY PRODUCTS.

2. TELEPHONE CONVERSATION WITH SERMIN DIRECTOR PETRINJA
AUGUST 8, HOWEVER, SUGGESTS MATTERS NOT NOW MOVING RAPIDLY.
PETRINJA STATED, RATHER CRYPTICALLY, THAT SITUATION REMAINS
ESSENTIALLY "SAME" AS AT TIME OUR PREVIOUS CONVERSATION MAY 15
(SEE REF B) EXCEPT THAT REFINERY SIZE NOW DEFINITELY SET FOR
"MORE COST EFFECTIVE" SIZE OF 8-MILLION TONS. THIS MAJOR CHANGE
IN SCALE REPORTEDLY REQUIRES REDOING FEASIBILITY STUDY. PETRINJA
ADDED THAT FORMAL AGREEMENT WITH LIBYANS NOT LIKELY BEFORE
SEPTEMBER AT WHICH TIME HE WOULD WELCOME FURTHER MEETING WITH US.
COMMENT. WE HAVE NOTED EMBASSY TRIPOLI'S REMARKS ON LIBYAN
INVESTMENT IN PETROLEUM RELATED FIELDS (REF C) AND WONDER HOW
EASY, IT WILL BE TO OBTAIN LIBYAN MONEY FOR KOPER PROJECT.
END COMMENT.

3. RE OTHER POINTS RAISED PARA 8 REF (A): A. NO SIGNIFICANT
NEGATIVE IMPACT ON AMERICAN FIRM'S CHANCES RESULTING FROM
POSSIBLE WEST GERMAN AND DUTCH PRODUCT INTERESTS AS DISCUSSED
IN REFTELS APPARENT FROM HERE. A JOINT VENTURE, HOWEVER, COULD
FAVOR ENGINEERING FIRMS AND SUPPLIERS OF SAME NATIONALITY AS
FOREIGN INVESTOR. WILL REPORT FURTHER IF ABLE
DEVELOP ADDITIONAL INFORMATION. B. RE "BUY AMERICA" ISSUE,
EMBASSY BELGRADE CONCURS THAT NATURE OF EXPORT FINANCING AS
MUCH AS PRICE AND QUALITY COULD PLAY IMPORTANT ROLE. REGARDING
MCKEE'S PLANNING, SUGGEST MEPD MAY WISH CONTACT R.K. YOUNG,
VICE PRESIDENT MCKEE OVERSEAS CORPORATION OR W. BAUMGARTEN,
MANAGER EUROPEAN TERRITORY WHO HAVE BOTH BEEN INVOLVED DIRECTLY
WITH KOPER PROJECT. EMBASSY ROME MAY ALSO WISH TO QUERY CTIP
WHICH, WE UNDERSTAND, OPERATES WITH SOME AUTONOMY FROM
PARENT FIRM. IMPRESSION GAINED DURING MAY 15 CONVERSATION
THAT SERMIN HIGHLY SATISFIED WITH EXPERIENCE THUS FAR WITH MCKEE,
BUT THAT NEITHER RELATIONS NOR PROJECT HAD DEVELOPED SUFFICIENTLY
TO SPEAK OF "PREDISPOSITION." C. EMBASSY
AND CONGEN WILL BEAR
IN MIND PARA 5 REF (A) IN ITS FURTHER DISCUSSIONS RE KOPER
PROJECT.
WILSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ZAGREB00726
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740222-1178
From: ZAGREB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740846/aaaabnit.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. STATE 168906; B. ZAGREB 0423 C. T, RIPOLI 0875
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 23 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 MAY 2002 by elyme>; APPROVED <27 FEB 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECTS: KOPER REFINERY
TAGS: BEXP, BFOL, YO
To: STATE COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005